

BOB F. ANDERSON, PE, INC.
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March 11, 2003

Honorable James H. Welsh,
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

James Lime Formation, Reservoir A
James Formation, Reservoir C
Benson Field
DeSoto Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **SILVER OAK OPERATING, INC.**, (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the James Lime Formation, Reservoir A and the James Formation Reservoir C, Benson Field, DeSoto Parish, Louisiana:

1. To dissolve the drilling and production units designated JL RA SUEE, JL RA SUFF, JL SUJ and JL RA SUM created by the 496-D Series of Office of Conservation Orders for the James Lime Formation, Reservoir A, in the Benson Field, DeSoto Parish, Louisiana.
2. To simultaneously with the dissolution of the aforesaid units, to create three (3) 640 +/- acre additional drilling and production unit to be designated JAMES RC SUL, JAMES RC SUN and JAMES RC SUO and one (1) 960 +/- acre unit, to be designated JAMES RC SUM, for the exploration for and production of gas and condensate from horizontal wells drilled to the James Formation, Reservoir C, Benson Field, DeSoto Parish, Louisiana, as shown on the attached plats and made a part hereof.
3. To force pool and integrate all separately owned tracts, mineral leases and other property within each of the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract to share in the unit production on a surface acreage bases of participation.
4. To designate a proposed unit well and unit operator for the proposed JAMES RC SUL, JAMES RC SUM, JAMES RC SUN and JAMES RC SUO.
5. Except to the extent inconsistent herewith, the provisions of Office of Conservation Order No. 496-D-7, effective August 8, 2000 shall apply to the units proposed herein.

Hon. James H. Welsh
Benson Field

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6. To provide that the existing units for the James Lime Formation, Reservoir A, in the Benson Field, DeSoto Parish, Louisiana, that are designated JL RA SUB, JL RA SUC, JL RA SUD, JL RA SUA, JL RA SUI, JL RA SUB and JL RA SUD, shall remain in force and effect with respect only to exploration and production from vertically drilled wells within said units and such units shall not apply to any future horizontal wells drilled to the James Formation, Reservoir A, within the units to be created herein.

7. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The James Lime Formation, Reservoir A and the James Formation, Reservoir C, in the Benson Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 496-D, effective April 1, 1980.

The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained **at the expense of the requesting party.**

A pre-application notice was sent to all parties stating a time and date for a conference to discuss the application and any objections thereto, however no request for a conference was received, therefore no conference was held.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this notice of this intended application is being sent. There were no changes to the plats attached to the pre-application notice, therefore, no plats are attached to the application for public hearing being sent to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list. A copy of this letter with plats are being sent to the Shreveport District Manager of Conservation.

Our check, made payable to the Office of Conservation, is attached to cover the applicable hearing fee.

Yours truly,


B. F. Anderson, PE for

SILVER OAK OPERATING, INC.

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation
Interested Owners, Represented Parties and Interested Parties

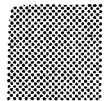
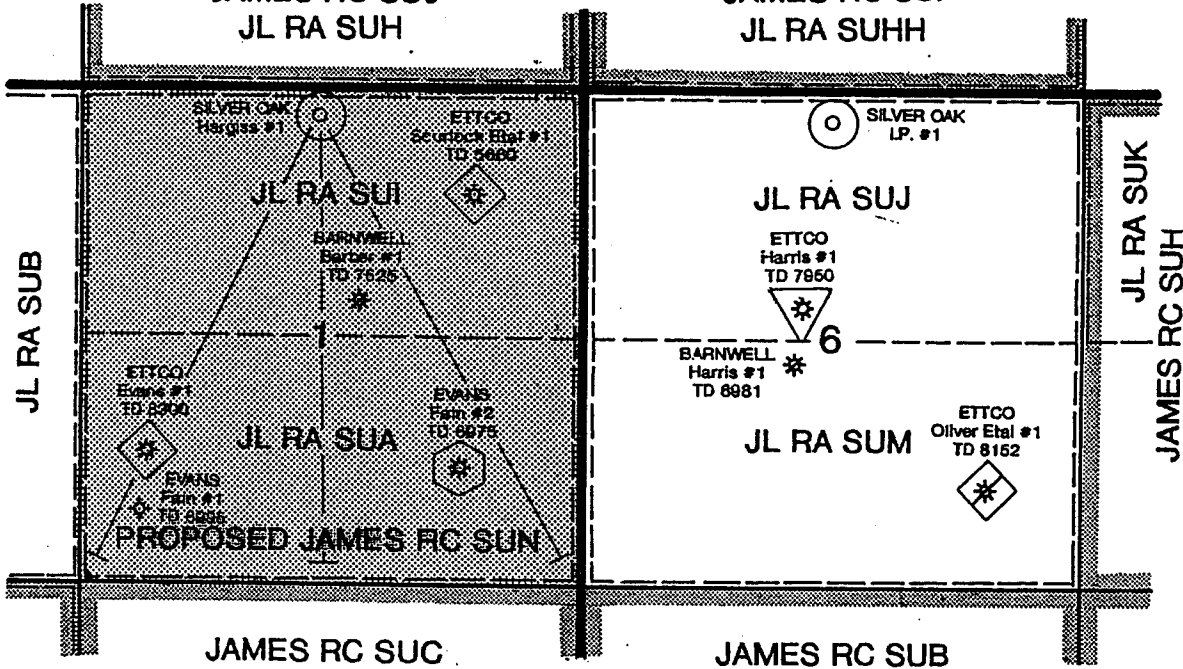
R 14 W

R 13 W

JAMES RC SUJ
JL RA SUH

JAMES RC SUI
JL RA SUHH

T
10
N



Proposed James RC Unit (640 Ac.)



Existing James RC Unit



Existing James RA Unit



Existing Mooringsport Well



Existing Hosston Well



Existing James RA Well



Former James RA Well



Proposed James RC Well

0' 500' 2000' 4000'

Silver Oaks Operating, Inc.

Benson Field
DeSoto Parish, Louisiana

Proposed Unit
JAMES RC SUN

Exhibit No.1

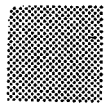
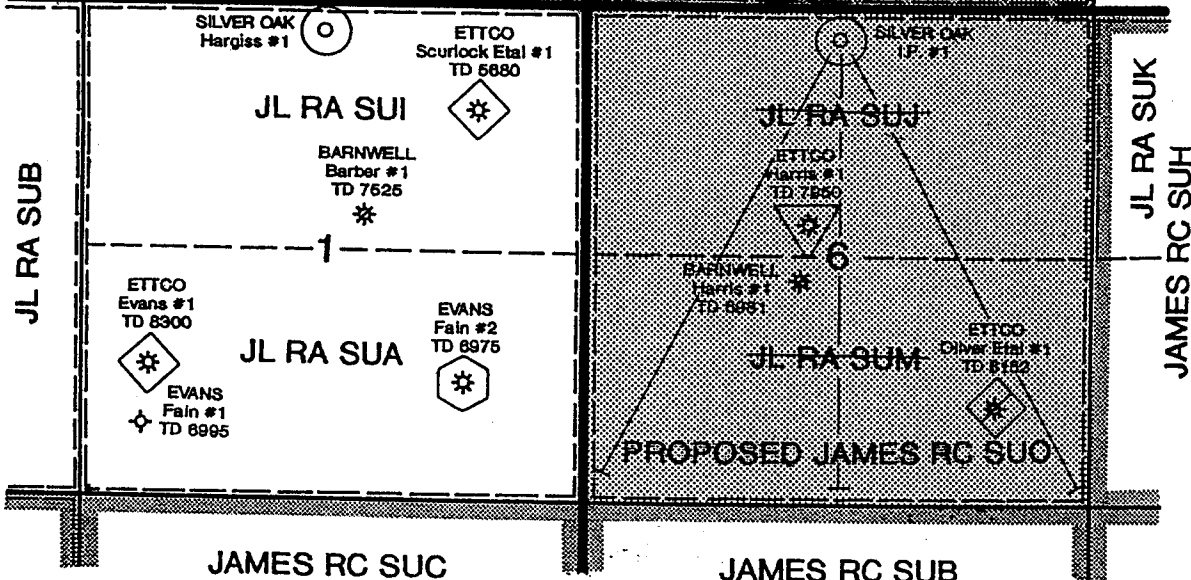
R 14 W

R 13 W

JAMES RC SUJ
JL RA SUH

JAMES RC SUI
JL RA SUHH

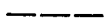
T
10
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Proposed James RC Unit (640 Ac.)



Existing James RC Unit



Existing James RA Unit

~~JL RA SUM~~ Existing James RA Unit To Be Dissolved



Existing Mooringsport Well



Existing Hosston Well



Existing James RA Well



Former James RA Well



Proposed James RC Well

0' 500' 2000' 4000'

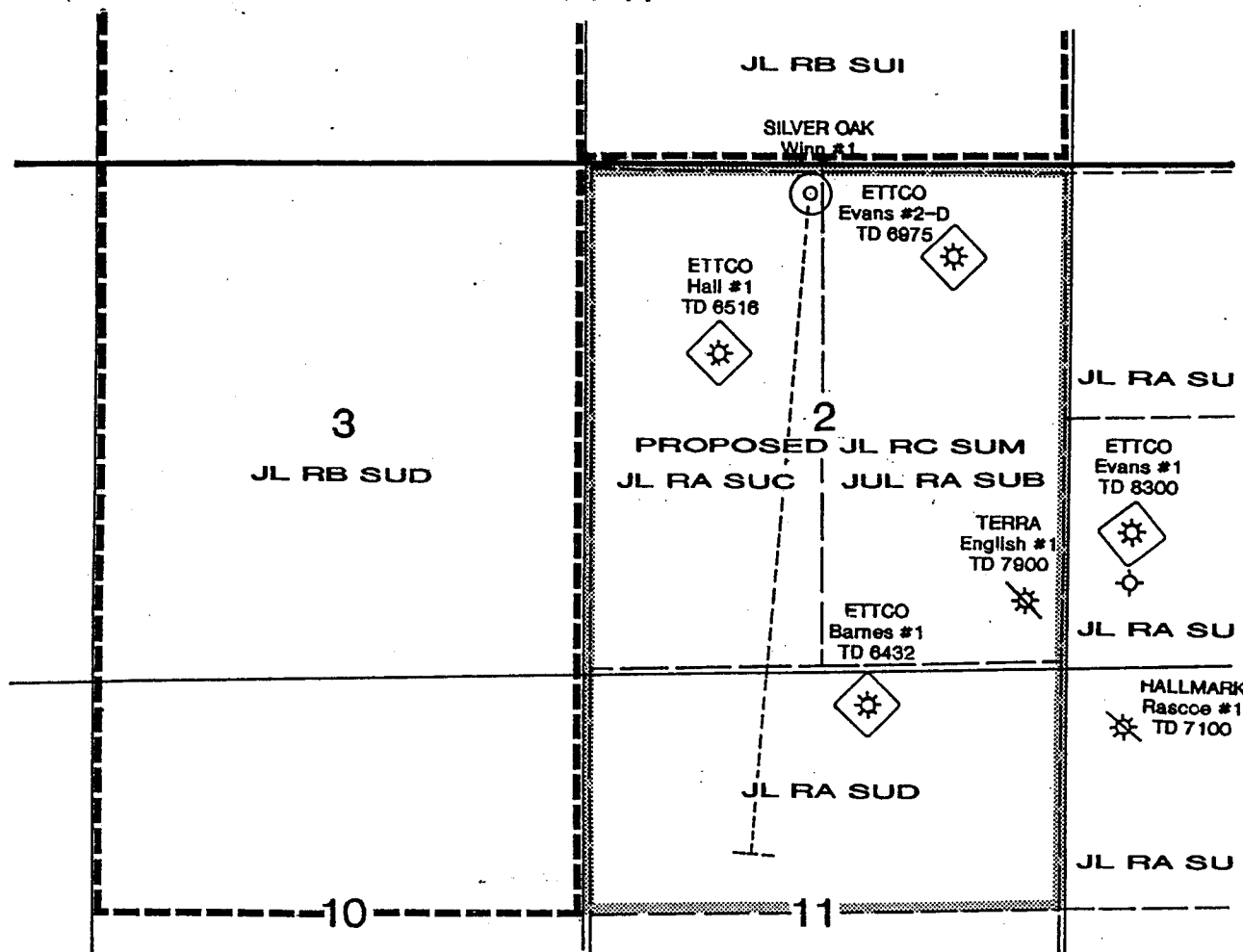
Silver Oaks Operating, Inc.

Benson Field
DeSoto Parish, Louisiana

Proposed Unit
JAMES RC SUO
Units To Be Dissolved
JL RA SUJ & JL RA SUM

Exhibit No.1

R 14 W



T
10
N

Proposed James RC Unit (+/-960 Ac.)

Existing James RB Unit

Existing James RA Unit



James RA Well



Proposed James RC Well

0' 500' 2000' 4000'

Silver Oak Operating, Inc.

Benson Field

DeSoto Parish, Louisiana

Proposed Unit

JAMES RC SUM

Exhibit No.1

R 14 W

R 13 W

24

19

JL RA SUDD

BARNWELL
Golden #1
TD 5028



SILVER OAK
Marshall #1
TD 9100

JL RA SUE

JAMES RC SUK

25

JL RA SUF

SILVER OAK
Bailey #8
TD 5800

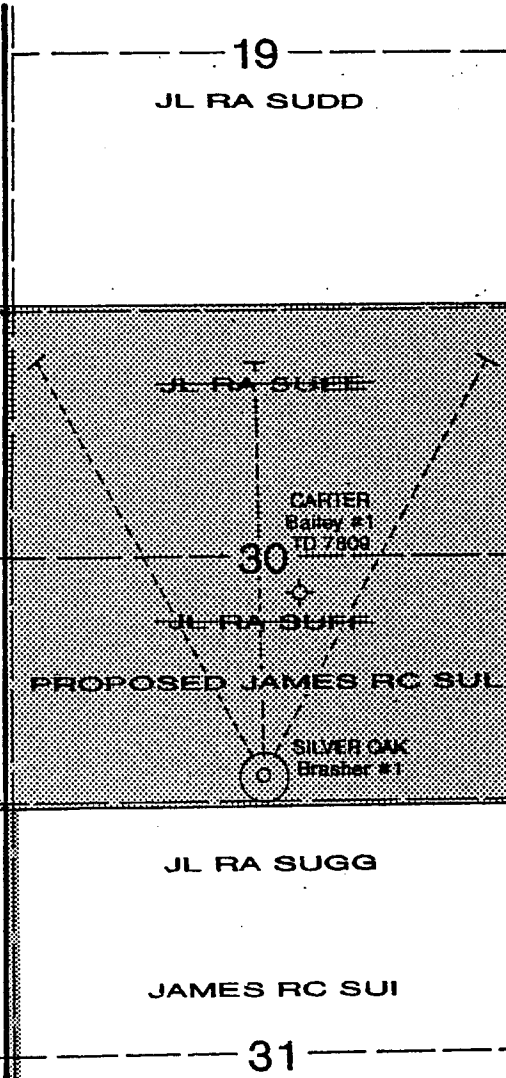
SILVER OAK
Bennett #1
TD 10,384



JL RA SUG

JAMES RC SUJ

36



T 10 N



Proposed James RC Well



Proposed James RC Unit (+/- 640 Ac.)



Existing James RC Unit



Existing James RD Unit



Existing James RA Unit



Existing JL RA Unit To Be Dissolved



James RC Well



James RA Well

0' 500' 2000' 4000'

Silver Oak Operating, Inc.

Benson Field

DeSoto Parish, Louisiana

Proposed Unit

JAMES RC SUL

Units To Be Dissolved

JL RA SUEE & JL RA SUFF

Exhibit No.1